
Appropriations Committee

SB 5634

Brief Description: Updating the utilities and transportation commission's regulatory fees.

Sponsors: Senator Carlyle.

Brief Summary of Bill

- Increases the fees assessed by the Utilities and Transportation Commission for electric, natural gas, telecommunications, wastewater, and water companies from 0.2 percent to 0.4 percent of intrastate gross operating revenues.

Hearing Date: 2/22/22

Staff: Jackie Wheeler (786-7125).

Background:

The Utilities and Transportation Commission (Commission) regulates privately-owned utility and transportation companies providing certain goods and services, including: electricity and natural gas, community solar projects, landline telecommunications, solid waste collection, water systems, natural gas and hazardous liquid pipelines, railroad carriers, residential movers, commercial ferries, passenger buses, low-level nuclear waste storage, and marine pilotage. Generally, the Commission regulates rates, service quality, consumer protection, and safety measures.

The Commission is almost entirely funded through fees paid by the regulated companies based on a percentage of intrastate gross operating revenues reported by those companies annually. Electric, natural gas, telecommunications, wastewater, and water companies regulated by the Commission must pay a regulatory fee equal to 0.1 percent of the first \$50,000 of gross operating

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revenue, plus 0.2 percent of gross operating revenue in excess of \$50,000. The collected fees are deposited in the Public Service Revolving Account to cover expenses of operation of the Commission, subject to appropriation by the Legislature. The Commission may, by rule, set minimum fees that do not exceed the cost of collecting the fees and may also waive any or all of the minimum fees.

When establishing fees, the Commission considers the funds available in the Public Service Revolving Account and determines the amounts required to fund the Commission's costs of supervising and regulating each industry. The fees are established by general order through a process with open public meetings. The Commission is required to issue an order to set the regulatory fee for each industry by March 1 of each year.

Summary of Bill:

Regulated electric, natural gas, telecommunications, and water companies must pay the Utilities and Transportation Commission a fee equal to 0.4 percent of intrastate gross operating revenues in excess of \$50,000, increased from 0.2 percent.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.